

MEMORANDUM

November 1, 2001

TO: Blair Ewing
Council President

Douglas M. Duncan
County Executive

FROM: Norman D. Butts
Inspector General

SUBJECT: Four-Year Budget (FY 2002 – FY 2005)

Enclosed please find the projected budget for the Office of Inspector General for the four-year term July 1, 2001 to June 30, 2005. This projected budget is required by MCC §2-151(f).

If you have any questions or need additional information, please do not hesitate to contact me.

**MONTGOMERY COUNTY, MARYLAND
OFFICE OF INSPECTOR GENERAL**

**FOUR-YEAR BUDGET
NOVEMBER 1, 2001**

Introduction

Montgomery County Code §2-151(f) requires the inspector general to submit to County Council and the County Executive, within four months of confirmation, a projected budget for the office "...for the entire four year term." The inspector general was appointed to a four-year term commencing July 1, 2001 and ending June 30, 2005.

The office's current FY 02 operating budget and the projected operating budgets for the remaining three years of the inspector general's term of office consist of personnel costs and operating expenses. There is no capital outlay presently and none is anticipated over the next three fiscal years.

Current Fiscal Year

The current fiscal year operating budget (FY 02) provides for an appropriation of \$497,490 and 4.0 work years.¹ The current budget has provided OIG with the ability to get up and running and make substantial progress to date in audits and investigations. The current budget also provides OIG with the necessary management and administrative infrastructure to readily take on additional work years and expand its reach to other programs and other agencies and meet additional workload demands with maximum efficiency.

Next Three Fiscal Years

The four-year budget plan anticipates adding a team of two auditors/investigators in each of the next three fiscal years, bringing OIG total work years to 9.5 by the end of FY 05. These increases are necessary if OIG is to meet current responsibilities, meet increasing demands for services, and provide more coverage of independent County agencies. A brief discussion of personnel costs and operating expenses follows:

¹ Effective September 1, 2001 work years were reduced to 3.75 in order to allow the assistant inspector general to temporarily reduce her work hours to thirty (30) per week. OIG is considering use of temporary employment to make up for the reduction.

Next Three Fiscal Years (Continued)

Personnel costs

OIG personnel costs include continuation of the four, current full-time positions for the remainder of the four-year period: inspector general, deputy inspector general (manager II), assistant inspector general (legislative analyst II), and office manager (executive administrative aide). It also assumes the addition of two auditors/investigators (legislative analysts I) each year over the next three budget years. The cost for each position is calculated at the entry-level of salary grade 26 (legislative analyst II)². Costs assume each new position will be added to the County payroll at October 1 of each year. The projections include annual service increments and general wage adjustments to the extent these are known.

Employee Benefits

Employee benefits for current employees were calculated at actual costs for the current fiscal year and extrapolations for the next three fiscal years. Employee benefits for the proposed additional employees were calculated at twenty (20) percent of total salaries.

Operating Expenses

OIG operating expenses include operating expenses for the current budget year in the amount of \$121,790 including \$100,000 for consultant services. This amount is adjusted over the remaining three years by 2.5% each year. In addition for each staff auditor/investigator added to the proposed budget in each of the next three years \$6,000 is added to operating expenses in the first year for a computer, office furnishings, in-service training, and office supplies. After the first year the amount for each auditor/investigator the amount is reduced to \$3,000 to cover in-service training and office supplies.

In addition to the operating costs mentioned above there are other direct costs associated with OIG operations such as rent that appear in other parts of the County budget. Currently annual rent for OIG offices is \$56,364. It is anticipated that additional office space of 100 square feet would be required for each auditor/ investigator added to the staff, or approximately \$3,000 per additional office.

² The plan assumes the additional positions will be created at the legislative analyst II level, but filled at the legislative analyst I level. This would allow greater flexibility for later promotional opportunities.

Conclusion

The OIG four-year budget plan for fiscal years 2002 through 2005 reflects a request for increased resources. Since 1998 when the OIG first began operations, County Council and the County Executive have acted to remove the sunset provision from the OIG law, to enhance OIG access to information by providing subpoena power, and to strengthen “whistleblower” protection for County employees registering complaints with the OIG. Over the past three years complaints alleging fraud, waste, or abuse in County government and independent county agencies have increased as outlined in OIG annual reports. Also during that time OIG has added several items to its work plan to address ways to promote increased accountability. In order to keep abreast of increasing demands and to better address concerns in County independent agencies, OIG needs the resources outlined in this four-year projected budget.

Table 1.

***Montgomery County
Office of Inspector General
Four -Year Budget***

	<i>Current</i>	<i>FY03</i>	<i>FY04</i>	<i>FY05</i>	
Salaries & Wages	\$311,448	\$405,653	\$534,483	\$653,349	
Employee Benefits	\$64,252	\$83,230	\$109,143	\$132,995	
PERSONNEL COSTS	\$375,700	\$488,883	\$643,626	\$786,344	
OPERATING EXPENSES	\$121,790	\$136,835	\$145,956	\$155,155	
CAPITAL OUTLAY	0	0	0	0	
Total	\$497,490	\$625,718	\$789,581	\$941,498	
Work Years	4	5.5	7.5	9.5	